

COMMUNITY BENEFIT AGREEMENT

THIS COMMUNITY BENEFIT AGREEMENT (this "Agreement") is entered into pursuant to M.G.L. 44, §53A this 4th day of October, 2016 by and between the TOWN OF GRAFTON, a Massachusetts municipal corporation with a principal address of 30 Providence Rd., Grafton, MA 01519 (the "Town"), and NATURE'S REMEDY, a Massachusetts nonprofit corporation with a principal address of 109 State Street, Boston, MA 02109 (the "Operator").

WHEREAS, the Operator wishes to locate a Registered Marijuana Dispensary cultivation and dispensing facility ("RMD") at 8 Millennium Drive, Grafton, Massachusetts (the "Facility") in accordance with the laws of the Commonwealth and the regulations issued by the Massachusetts Department of Public Health ("DPH"); and

WHEREAS, the Operator intends to assure the Town that it will pay real estate and/or personal property taxes attributable to the Facility and the premises on which the Facility is located, regardless of the final determination of the Commonwealth with regard to the treatment of the related non-profit entity and assuming all contingencies noted below are met; and

WHEREAS, the Operator, in the event that it receives a Final Certificate of Registration from DPH to operate an RMD dispensing facility in Grafton, as a good neighbor and contributing member of the business community of the Town, in the event the contingencies noted below are met, intends to provide certain benefits to the Town over and above tax revenue and the increased employment base and other typical economic development benefits attributable with similar new manufacturing concerns locating in the Town;

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, and for the mutual promises set forth below, the Operator and the Town agree as follows:

1. Annual Payment: The Operator agrees to make a donation to the Town in the amounts and under the terms provided herein ("the Funds,,"). The Treasurer of the Town shall hold the funds in a separate gift account, to be expended by the Board of Selectmen without further appropriation pursuant to G.L. c. 44, §53A, for the purposes of addressing the potential health, safety, and other effects or impacts of the RMD dispensing facility on the Town and on municipal programs, services, personnel, facilities. The funds shall be used at the Town's sole discretion, as determined by the Board of Selectmen.
 - (a) For the purposes of this Agreement, "Total Sales" shall mean the total gross sales revenue from inventory cultivated and produced in Grafton, Massachusetts and sold in any dispensary of Operator in Massachusetts, and the term "Grafton Sales,," shall mean gross sales revenue from sales of inventory at a retail dispensary located in Grafton, Massachusetts.

(b) The Operator shall pay to the Town an "Annual Payment" in the amount of the percentage of Total Sales in addition to the percentage of Grafton Sales, as set forth below, with the maximum amount of the Annual Payment in any year not to exceed \$250,000:

Year	Minimum Payment	Percentage of Sales
1	\$25,000	1.0% of Total Sales plus .5% of Grafton Sales
2	\$75,000	1.0% of Total Sales plus .5% of Grafton Sales
3	\$100,000	1.0% of Total Sales plus .5% of Grafton Sales
4 and thereafter	2.5% greater than the prior year's Annual Payment	1.5% of Total Sales plus 1.25% of Grafton Sales

- (c) Each Annual Payment shall be paid to the Town in two installments with the first due on the 1st day of the thirteenth month after the opening of any dispensary location by the Operator and the second due six (6) months thereafter. Each Annual Payment will continue to be paid in two installments every six (6) months thereafter during the operation of this Agreement.
- (d) This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Massachusetts. Operator will perform an internal review every six months to determine if Operator's EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) can sustain the payments under the Agreement and remain positive. In the event Operator is unable to maintain a positive EBITDA and sustain the payments under this Agreement, Operator shall notify the Town and shall have the right to defer payments until such time as Operator is able to make the payments and maintain a positive EBITDA. The deferred payments shall be subject to an annual administrative fee of 5% of the payments due under this Agreement (pro-rated for that portion of a year that the payment remains unpaid). In the event of a dispute as to whether the Operator can sustain payments under this Agreement and maintain a positive EBITDA, the Town shall retain all rights and remedies to enforce the terms of this Agreement.

2. Financial Records and Audit Rights of Town:

- (a) The Operator shall submit financial records to the Town within 30 days after each installment of the Annual Payment with a certification of Total Sales and Grafton Sales with respect to each installment payment due.
- (b) All financial records submitted to the Town shall be simultaneously submitted to DPH by the Operator. The Operator shall also submit to the Town copies of any additional financial records that the Operator must submit to DPH.

- (c) The Operator shall maintain its books, financial records, and other compilations of data pertaining to the requirements of this Agreement in accordance with standard accounting practices and any applicable regulations or guidelines of the DPH. All records shall be kept for a period of at least seven (7) years.
 - (d) During the term of this Agreement and for three (3) years following termination of this Agreement, the Town shall have the right to examine, audit and copy (at its sole cost and expense), those parts of the Operator's books and financial records which relate to the determination of the required Annual Payment and to the Operator's compliance with this Agreement, including but not limited to Operator's claims for deferral under paragraph 1(e). Such examinations may be made upon not less than thirty (30) days prior written notice from the Town and shall occur only during normal business hours at such place where said books, financial records and accounts are maintained. The Town's examination, copying or audit of such records shall be conducted in such manner as not to interfere with the Operator's normal business activities.
3. Purpose of Annual Payment: Although the purpose of the Funds is to assist the Town in addressing any public health, safety, and other impacts the RMD may have on the Town, the Town may expend the above referenced payments at its sole and absolute discretion.
4. Property Taxes:
- (a) At all times during the term of this Agreement, property, both real and personal, owned or operated by the Operator shall be treated as taxable, and all applicable real estate and personal property taxes for that property shall be paid either directly by the Operator or by its landlord, and the Operator shall not challenge the taxability of such property and shall not submit an application for any statutory exemption from such taxes.
 - (b) Notwithstanding Section 4(a), if: (i) real or personal property owned or operated by the Operator is determined to be exempt for taxation or partially exempt; or (ii) the value of such property is abated with the effect of reducing or eliminating the tax which would otherwise be paid if assessed at full value, then the Operator shall pay to the Town an amount which, when added to the taxes, if any, paid on such property, shall be equal to the taxes which would have been payable on such property at full assessed value and at the otherwise applicable tax rate, if there had been no abatement or exemption. The payment described in this Section 4(b) shall be in addition to the payments made by the Operator under Section 1 of this Agreement.
 - (c) This Agreement does not limit or control the authority of Town boards, commissions, and departments to carry out their respective powers and duties to decide upon and issue, or deny, applicable permits and other approvals under

the statutes and regulations of the Commonwealth, the general and zoning by laws of the Town, and/or applicable regulations of the said boards, commissions, and departments, or to enforce said statutes, by laws, and regulations. The Town, by entering into this Agreement, is not thereby required or obligated to issue such permits and approvals as may be necessary for the RMD dispensing facility to operate in the Town, or to refrain from enforcement action against the Company and/or its RMD dispensing facility for violation of the terms of said permits and approvals or said statutes, by laws, and regulations.

5. Sales Taxes: The Town reserves the right to collect sales taxes, or similar transactional taxes, from the Operator, in the event that such collections are authorized by law during the term of this Agreement. The payment of any such taxes described in this Section 5 shall be in addition to all other payments made by the Operator under the terms of this Agreement.
6. Security: The Operator shall maintain a cooperative relationship with the Grafton Police Department, including but not limited to attending periodic meetings to review operational concerns, cooperation in investigations, and communication to the Grafton Police Department of any suspicious activities on the RMD site.
7. Local Hiring: Except for senior management positions, the Operator commits to hiring local, qualified employees to the extent consistent with law. In addition to the direct hiring, the Operator will work in a good faith, legal and non-discriminatory manner to hire local vendors, suppliers, contractors and builders from the Grafton area where possible.
8. Termination: This Agreement shall terminate at the time that either of the following occurs:
 - a. the Town notifies the Operator of the Town's termination of this Agreement;
or
 - b. the Operator ceases to operate a RMD facility in Grafton.
9. Registration Contingency: The obligations of the Operator and the Town set forth in this Agreement are contingent upon the issuance by DPH to the Operator of a Final Certificate of Registration for the operation of a RMD facility in Grafton.
10. Compliance with Legal Requirements: The Operator shall comply with all laws, rules, regulations and orders applicable to the operation of an RMD, including the bylaws and regulations of the Town, and shall be responsible for obtaining all necessary licenses, permits, and approvals required for the operation of an RMD.

11. Recreational Use: This Agreement applies solely to the operations of the Operator in accordance with a DPH issued license. In the event it becomes permissible under Massachusetts law for the Operator to cultivate, sell or distribute marijuana at the RMD dispensing facility for purposes other than those initially authorized by the DPH license, the Operator agrees to do so only after receiving approval from both the Board of Selectmen and the Board of Health prior to engaging in any such sale or distribution. Operator undertakes this obligation voluntarily and after consultation with counsel, and acknowledges that it will not seek to circumvent this contractual obligation even if no law or regulation would otherwise require Operator to receive such approvals. Therefore, the parties acknowledge that this provision shall remain enforceable even if no local approvals are required by law, and notwithstanding any provision of law or regulation that calls into question the enforceability of this provision.

12. Additional Funding: Should the Town realize an increase in substance abuse within its school district and/or the Town, as determined solely by the Grafton Police Department in consultation with the Board of Selectmen, Nature's Remedy will provide grant funding for drug awareness and abuse programs not to exceed \$25,000 no sooner than one year following the opening of the company's Grafton retail dispensary location.

13. Notices: Any and all notices, or other communications required or permitted under this Agreement, shall be in writing and delivered by hand or mailed postage prepaid, return receipt requested, by registered or certified mail or by other reputable delivery service, to the parties at the addresses set forth above or furnished from time to time in writing hereafter by one party to the other party. Any such notice or correspondence shall be deemed given when so delivered by hand, if so mailed, when deposited with the U.S. Postal Service, or if sent by private overnight or other delivery service, when deposited with such delivery service.

14. Binding Effect: The Operator shall not assign, sublet, or otherwise transfer this Agreement, in whole or in part, without the prior written consent of the Town, and shall not assign any of the Funds payable under the Agreement, except by and with the written consent of the Town. This Agreement is binding upon the parties hereto, their successors, assigns and legal representatives (and where not corporate, the heirs and estate of the Operator). Neither the Town nor the Operator shall assign or transfer any interest in the Agreement without the written consent of the other.

The Operator agrees to comply with all laws, rules, regulations, and orders applicable to the RMD dispensing facility, such provisions being incorporated herein by reference, and shall be responsible for obtaining all necessary licenses, permits, and approvals required for operation of the facility. The Operator agrees not to assert or seek exemption as an agricultural use under the provisions of G.L. c. 40A, § 3 from the requirements of the Town's zoning by law.

15. Waiver: The obligations and conditions set forth in this Agreement may be waived only by a writing signed by the party waiving such obligation or condition. Forbearance or indulgence by a party shall not be construed as a waiver, nor limit

the remedies that would otherwise be available to that party under this Agreement or applicable law. No waiver of any breach or default shall constitute or be deemed evidence of a waiver of any subsequent breach or default.

16. Amendment: This Agreement may only be amended by a written document duly executed by both of the Parties. No modification or waiver of any provision of this Agreement shall be valid unless duly authorized as an amendment hereof and duly executed by the Town and the Operator.

17. Headings: The article, section, and paragraph headings in this Agreement are for convenience only, are no part of this Agreement and shall not affect the interpretation of this Agreement.

18. Severability: If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, illegal or unenforceable, or if any such term is so held when applied to any particular circumstance, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, or affect the application of such provision to any other circumstances, and this Agreement shall be construed and enforced as if such invalid, illegal or unenforceable provision were not contained in this Agreement.

19. Governing Law: This Agreement shall be governed by and construed in accordance with the substantive law of the Commonwealth of Massachusetts, without regard to the conflicts of law provisions thereof.

20. Entire Agreement: This Agreement, including all documents incorporated by reference, constitutes the entire integrated agreement between the parties with respect to the matters described. This Agreement supersedes all prior agreements, negotiations and representations, either written or oral, and it shall not be modified or amended except by a written document executed by the parties hereto.

21. Counterparts: This Agreement may be signed in any number of counterparts all of which taken together, shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing one or more counterparts.

IN WITNESS WHEREOF, the Parties to this Agreement have hereunto set their hands and seals on the day and year first above written.

TOWN OF GRAFTON
By its Board of Selectmen:

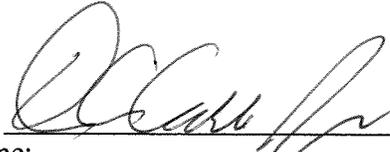
NATURES REMEDY, INC.









By: 

Name:
Title: Chief Executive Officer